

Air Force Materiel

War Winning Capabilities ... On Time, On Cost

Command



PAST PERFORMANCE EVALUATION

Module Lead:
OO-ALC/PKCA
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*Integrity ~ Service ~
Excellence*



Course Overview



- **Length: 1 Hour**
- **Method of delivery: Slide Presentation**
- **Course contents:**
 - **Past Performance**
 - **Definition**
 - **Applicability**
 - **Policy**
 - **Uses**



Overview



- **Purpose of Training**
- **What, Why, When and Who**
- **Past Performance versus Responsibility Determination**
- **Past Performance Activities**
 - **Early Activities**
 - **Prior to Issuance of Draft RFP/RFP**
 - **Prior to Proposal Receipt**
 - **After Receipt of Proposals**
- **Summary**

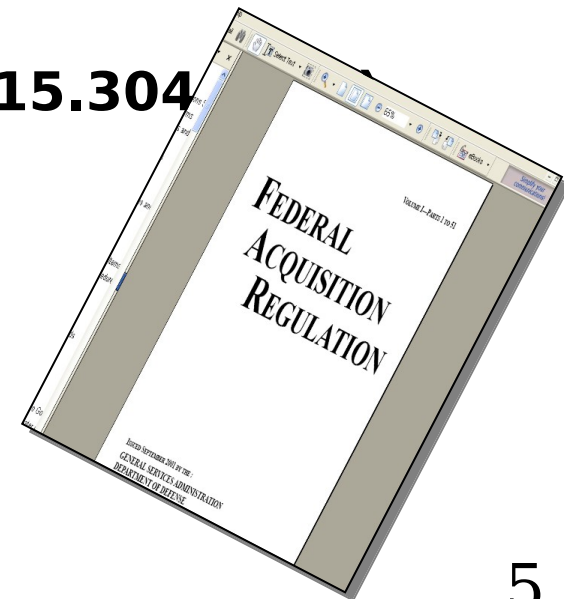
Purpose of Training

Provide an understanding of past performance evaluation and the process for effectively using it as an evaluation factor in “**best value**” source selections.



What requires past performance evaluation?

- **1994 Federal Acquisition Streamlining Act (FASA) dated October 13, 1994 (Public Law 103-355)**
 - ◆ It is appropriate and relevant that a contracting official consider a contractor's past performance as an indicator that the offeror will successfully perform a contract to be awarded.
- **Federal Acquisition Regulation (FAR) 15.304**



Past Performance Evaluation

Why evaluate past performance?

- **Validates statements made in proposal**
- **Integral to best value source selection**
- **Motivates contractors to strive for excellence**
- **Recognizes good performance**
- **Reduces risk and oversight**



When Is Evaluation of Past Performance Required?

- **All competitively negotiated acquisitions exceeding \$100,000 unless contracting officer documents why past performance is not an appropriate evaluation factor (FAR 15.304(c)(iii)).**
- **However, based on DoD class deviation 99-00002 (January 29,1999) the thresholds are:**
 - ◆ **\$5.5M for systems and operations support,**
 - ◆ **\$1M for services, information technology, and**
 - ◆ **\$100,000 for fuels or health care.**

Who Does Past Performance (PP) Evaluation?

- **Performance Confidence Assessment Group (PCAG) for source selections > \$100M**
- **PP evaluations for source selections < \$100M may be PCAG or individual(s) identified in source selection plan (if applicable)**
 - ◆ **Lowest Price Technically Acceptable (LPTA)**
 - ◆ **Performance Price Tradeoff (PPT)**
 - ◆ **Technically Acceptable Performance Price Tradeoff (TA-PPT)**
 - ◆ **Technically Acceptable Risk Performance Price Tradeoff (TA-RPPT)**
 - ◆ **Full Trade-Off Source Selection Procedures**
 - ▶ **(\$1M to \$100M)**

PCAG

- **Performance Confidence Assessment Group (PCAG) is a group tasked with accomplishing the past performance evaluation**
- **The PCAG is a part of the Source Selection Evaluation Team (SSET)**
- **Responsible for conducting the past performance confidence assessment through a review and analysis of the offeror's recent, current and relevant performance**



Past Performance Versus Responsibility Determination

Responsibility Determination

- **Does the offeror have the capability to perform?**
- **Can the offeror do the work? PCO determines if offeror is responsible**
 - **Does the offeror have the capability to perform?**
 - **Conduct a Preaward survey**
 - **Check PPIRS**

PP Versus Responsibility Determination

Past Performance Evaluation

- Identifies the degree of confidence associated with each competing offeror
- Will the offeror do the work successfully?
- Evaluation describes the degree of confidence government has that the offeror will succeed
 - ◆ Based on the quality of recent, relevant performance

Past Performance Activities

I. Early Activities

II. Prior to Issuance of DRFP/RFP

III. Prior To Proposal Receipt

IV. After Receipt of Proposals

Early Activities - PCAG Members

- **PCAG chairperson or Past Performance team lead**
- **Number of members depends on complexity of the acquisition and number of proposals expected**
- **Members should be experienced personnel familiar with work required by the acquisition**
- **Members should include a person(s) who will have to live with the results of the source selection**

Early Activities

During early phase of acquisition

- Obtain early industry involvement (such as one-on-one meetings, requests for information, or pre-solicitation conference) to resolve concerns with
 - ◆ Relevancy and recency definitions
 - ◆ Questionnaire
 - ◆ Past performance evaluation
- Review latest past performance guidance on ACE website
- Discuss management processes for the source selection
 - ◆ Handling of information and tracking proposals, questionnaire responses, ENs, etc.
 - ◆ Secure work area with phones, fax machine and locking file cabinets (if not utilizing XR-ACE source selection facilities)

Prior to Issuance of DRFP/RFP

- **Prepare past performance portion of Sec L, M, and the questionnaire**
 - ◆ **Utilize the best value/source selection templates found on the ACE website as your starting point. They contain the recommended language that states what past performance information the government requires in the proposal**

Section L - Instructions to Offerors

- ◆ **Tailor the template to fit your acquisition: what constitutes recent performance? 3 years? What is your definition of a critical subcontractor?**
- ◆ **Decide if the past performance volume will be required earlier than proposal**



Prior to Issuance of DRFP/RFP



- **Utilize Acquisition Center of Excellence (ACE)**
 - Templates
 - Samples
 - <https://www.safaq.hq.af.mil/organizations/ace/>
- **Check for Ambiguities between Sections L & M**

Prior to Issuance of DRFP/RFP

Section M - Evaluation Basis for Award

- Utilize the best value/source selection templates found on the ACE website as your starting point. They contain the recommended language that states how past performance information will be evaluated. Tailor the template to fit your acquisition.
- The solicitation shall state whether all evaluation factors other than cost/price, when combined, are significantly more important, approximately equal to cost/price, or significantly less important than cost/price. However, past performance must be at least as important as most important non-cost factor.
- The PCAG will assign a performance confidence assessment to the past performance factor IAW MP5315.3, paragraph 5.5.3

Prior to Issuance of DRFP/RFP

<u>Rating</u>	<u>Description</u>
High Confidence	Based on the offeror's performance record, the government has high confidence the offeror will successfully perform the required effort.
Significant Confidence	Based on the offeror's performance record, the government has significant confidence the offeror will successfully perform the required effort.
Satisfactory Confidence	Based on the offeror's performance record, the government has confidence the offeror will successfully perform the required effort. Normal contractor emphasis should preclude any problems.
Unknown Confidence	No performance record is identifiable (see FAR15.305(a)(2)(iii) and (iv)).
Little Confidence	Based on the offeror's performance record, substantial doubt exists that the offeror will successfully perform the required effort.
No Confidence	Based on the offeror's performance record, extreme doubt exists that the offeror will successfully perform the required effort.

Prior to Issuance of DRFP/RFP

Section M Considerations, cont'd

- **Relevancy definitions must be in DRFP/RFP**
 - ◆ **PCAG must determine how to define relevancy**
- **Consider the following when developing relevancy definition:**
 - ◆ **Relevant does not mean same or identical**
 - ◆ **Relevant means similar to instant acquisition to provide indicators of performance.**
 - ▶ **Consider such things as product or service similarity, complexity, contract type, contract dollar value/size, program phase, division of company, major or critical subcontractors, teaming partners and joint ventures**
 - ◆ **How will the PCAG determine relevancy for individual efforts?**
 - ▶ **Prime, joint ventures, subcontractors**

Relevancy Example

Relevancy Definitions

Very Relevant	Past/present performance effort involved essentially the same magnitude of effort and complexities this solicitation requires. Examples may include such things as ...
Relevant	Past/present performance effort involved much of the magnitude of effort and complexities this solicitation requires. Examples may include such things as ...
Somewhat Relevant	Past/present performance effort involved some of the magnitude of effort and complexities this solicitation requires.
Not Relevant	Past/present performance efforts involved little or none of the magnitude of effort and complexities this solicitation requires.

Prior To Proposal Receipt

Past performance questionnaire

DEVELOP YOUR QUESTIONNAIRE:

- ◆ Purpose of questionnaire is to obtain information on past and present performance
- ◆ Structure questionnaire to obtain helpful information about the offeror's performance
- ◆ Make questionnaire easy to complete but avoid yes/no answers
- ◆ Questions should elicit information that relates to mission capability (technical) subfactors and price/cost factor
- ◆ Questionnaire must define a scale for rating the quality of performance

After Receipt of Proposals

Past Performance Evaluation

- **Step 1 Conduct relevancy and recency screening by determining relevancy of each effort and validate recency**
- **Step 2 Search for additional relevant efforts**
- **Step 3 Pursue other sources of information on offerors: CPARS, PPIRS, DLA, DCMA, Dun and Bradstreet**
- **Step 4 Review questionnaire responses. Conduct and document interviews on completed questionnaires**

After Receipt of Proposals

Past Performance Evaluation

- **Step 5 Rate quality of performance for each offeror and critical subcontractors**
 - ◆ Rate performance on each relevant effort
 - ◆ Evaluate poor performance if necessary
 - ◆ Consolidate data for each offeror
 - ◆ Identify positive and negative aspects for past performance factor
- **Step 6 Perform an assessment of performance confidence at factor level as stated in Section M and thoroughly document the evaluation results in the PCAG Report.**
- **Step 7 Prepare Evaluation Notices (ENs) for adverse past performance information and other past performance issues**

After Receipt of Proposals

Past Performance Evaluation

- **Step 8 Evaluate responses on ENs**
- **Step 9 Review performance confidence assessments and positive/negative aspects based on additional information in response to ENs. Thoroughly document any changes to the evaluation results in the PCAG Report.**
- **Step 10 Prepare PCAG briefing charts and participate in the briefings to the SSA**

Past Performance Evaluation Example

**Contracts
PCAG
Reviewed**

**How relevant is
this contract to
the requirement?**

OFFEROR XYZ		RELEVANCY RATING	
Contract A		Very Relevant	
Contract B		Relevant	
Contract C		Relevant	
Effort D		Relevant	
Contract E		Not Relevant	

Past Performance Factor Rating:
Significant Confidence



Summary

- **Evaluation of past performance is important in the source selection process**
- **RFP Sections L and M must clearly state requirements for proposals and how evaluation will be conducted**
- **PP evaluation must be done IAW Section M**
- **Be consistent among offerors**

